



Scottish Landfill Communities Fund

End-of-Year Report 2016-17



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| Date of approval: | 26/06/2017 | | |

1. INTRODUCTION

2016-17 marks the second year of the Scottish Landfill Communities Fund (SLCF). Overall, the SLCF has continued to function well. 14 Approved Bodies (ABs) are eligible to receive funds from landfill operators registered for Scottish Landfill Tax and distribute the funds to eligible projects. All 14 ABs have been active this year. This year, qualifying contributions exceeding £9.8m were made to the fund and funds have been committed to 330 projects (total value £7m). 57% of eligible taxpayers chose to contribute to the fund.

SEPA continues to enjoy an effective relationship with the ABs. We carried out an in-depth compliance inspection at each AB this year and a desk inspection of each notification received (939). All ABs were found to be compliant.

The SEPA team responsible for administration of the SLCF comprises three staff members. We have responded to over 300 queries from ABs, projects and landfill operators on the SLCF. And continue to promote the fund wherever possible.

This report presents the information SEPA has collected on the fund over 2016-17.

2. DATES USED

The data reported for qualifying contributions made to the fund, funds committed to projects and SEPA Regulatory Fees (income) have been reported over a “reporting timeframe” from 15 May 2016 to 14 May 2017. This is to take account of and align with the 44 days following the end of each quarter, within which Scottish Landfill Tax payers are allowed to make qualifying contributions to the fund and claim credit for them in their tax returns submitted to Revenue Scotland for the previous quarter. As the amount of SLCF contributions that qualify for credit are restricted to a maximum of 5.6% of the taxpayers total tax liability for the year and because contributions must have been made to an AB before a corresponding tax credit can be claimed, most qualifying contributions are calculated and made during the 44 days following the end of the tax quarter. Therefore, to understand and present a representative picture of qualifying contributions made to the fund, the reporting period for the SLCF has been aligned to include these 44 day periods .

Three measures have been reported in this way so that they are directly comparable, providing a true picture of income and expenditure from the fund:

1. Qualifying contributions reported as received by ABs,
2. Funds committed to projects,
3. SEPA Regulatory Fees¹

The four “reporting” quarters are as follows:

- Q1: 15 May to 13 August;
- Q2: 14 August to 13 November;
- Q3: 14 November to 13 February and

¹ SEPA Regulatory Fees are invoiced once Qualifying Contributions have been notified to SEPA and therefore also have the 44 day time lag.

Q4: 14 February to 14 May.

All other data has been reported using the traditional quarters and year from 1 April to 31 March. Ideally, we would have reported the running costs of ABs using the “reporting year”, however the regulations require ABs to submit their running costs to 31 March by 28th April. To change this reporting period to the “reporting year” detailed above would require legislative change and additional accountancy tasks for ABs therefore is not recommended at this time. To allow the ABs running costs to be interpreted and a compliance assessment made, income and expenditure have been adjusted to the financial year 1 April to 31 March for the compliance assessment.

3. KEY PERFORMANCE INDICATOR DISCUSSION

Revenue Scotland and SEPA agreed a set of key performance indicators (KPIs) to monitor and evaluate the performance of the SLCF. The key performance indicators are listed in Appendix 1, which shows the relevant data collated by SEPA for the two reporting timeframes described in Section 2. The detail of each measure is discussed below.

i. Approved Body Applications

| | Q1 (Apr-Jun) | Q2 (Jul-Sep) | Q3 (Oct-Dec) | Q4 (Jan-Mar) | Total 2016-17 ² |
|--|-----------------|-----------------|-----------------|-----------------|-------------------------------|
| a. Number of applications received | 1 | 0 | 0 | 0 | 1 |
| b. Number of applications approved | 1 | 0 | 0 | 0 | 1 |
| c. Number of applications withdrawn | 1* | 0 | 0 | 0 | 1* |
| d. Number of applications rejected (to | 0 | 0 | 0 | 0 | 0 |
| e. Number of applications ongoing | 0 | 0 | 0 | 0 | 0 |

* This application was received during 2015-16 and subsequently withdrawn during 2016-17. Only one application was received this year. The application was for a Voluntary Revocation from the scheme. The AB applying for revocation had not received any qualifying contributions from a landfill operator or committed funds to any projects so the revocation was very straight forward. No enforced revocations were needed this year under enforcement activities.

14 ABs have been active within the fund this year. These are the same ABs that were active in 2015-16. The ABs are located throughout Scotland, from the Western Isles to the Borders. Three SLCF ABs have their offices based in England and administer their projects remotely.

² To 31 March 2017.

ii. Register of Approved Bodies

| | Q1 (Apr-Jun) | Q2 (Jul-Sep) | Q3 (Oct-Dec) | Q4 (Jan-Mar) | Total 2016-17 |
|--|-----------------|-----------------|-----------------|-----------------|------------------|
| a. Number of changes made to the Register including time taken to make the change ³ | 1 | 0 | 0 | 0 | 1 |

SEPA continues to maintain the Register of Approved Bodies. It is published on [SEPA's website](#)⁴. The register has been updated once, reflecting the change in status of the AB who voluntarily revoked their approval. The update was made within 24 hours which is well within the 7 day target.

iii. Compliance Inspections

| | Q1 (Apr-Jun) | Q2 (Jul-Sep) | Q3 (Oct-Dec) | Q4 (Jan-Mar) | Total 2016-17 |
|--|-----------------|-----------------|-----------------|-----------------|------------------|
| a. Number of compliance inspections completed by the SLCF team | 3 | 0 | 8 | 3 | 14 |

SEPA carried out one compliance inspection at each AB during the year. All 14 ABs were found to be compliant.

In addition to the 14 compliance inspections, the SLCF team has processed 939 notifications received from ABs and landfill operators. This represents a four-fold increase from last year (234), and comprises:

- 90 qualifying contributions;
- 329 project enrolments;
- 326 transfers of funds;
- 165 contributing third party payments
- 14 statements of account and
- 14 annual reports.

Processing each notification includes a desk based assessment of various aspects of the AB's compliance and data checks.

³ The target for updating any changes to the register of approved bodies on the SEPA website is within 7 days of the change taking effect

⁴ <http://www.sepa.org.uk/media/219057/160405-register-of-approved-bodies.pdf>

iv. Enforcement

| | Q1 (Apr-Jun) | Q2 (Jul-Sep) | Q3 (Oct-Dec) | Q4 (Jan-Mar) | Total 2016-17 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|--------------------------|
| a. Number of enforcement actions started | 0 | 0 | 0 | 0 | 0 |
| b. Number of enforcement actions concluded and outcome | N/A | N/A | N/A | N/A | N/A |

Of the 14 compliance inspections carried out, every AB was deemed to be working in compliance with the regulations and their conditions of approval. As a result, no enforcement action was needed.

In general, all ABs are notifying SEPA of required information within the time limits stated in the regulations. The good working relationship that SEPA maintains with the ABs has helped ensure ABs know when notifications are due to be submitted.

v. Written Communication Response Times

| | Q1 (Apr-Jun) | Q2 (Jul-Sep) | Q3 (Oct-Dec) | Q4 (Jan-Mar) | Total 2016-17 |
|---|--|--|--|--|--|
| a. Total number of queries responded to | 111 | 89 | 54 | 60 | 314 |
| b. Number of queries responded to from ABs including response period (10 and 25 days) | 63 (63<10 days) (0<25 days) (0 >25 days) | 30 (30<10 days) (0<25 days) (0 >25 days) | 21 (21<10 days) (0<25 days) (0 >25 days) | 17 (16<10 days) (1<25 days) (0 >25 days) | 131 (130<10 days) (1<25 days) (0 >25 days) |
| c. Number of queries responded to from Projects including response period (10 and 25 days) | 42 (40<10 days) (1<25 days) (1 >25 days) | 46 (46<10 days) (0<25 days) (0 >25 days) | 25 (25<10 days) (0<25 days) (0 >25 days) | 40 (37<10 days) (0<25 days) (3 >25 days) | 153 (149<10 days) (1<25 days) (3 >25 days) |
| d. Number of queries responded to from others ⁵ including response period (10 and 25 days) | 6 (6<10 days) (0<25 days) (0>25 days) | 13 (12<10 days) (1<25 days) (0 >25 days) | 8 (7<10 days) (1<25 days) (0 >25 days) | 3 (3<10 days) (0<25 days) (0 >25 days) | 30 (28<10 days) (2<25 days) (0>25 days) |

The SLCF team has responded to over 300 queries from ABs, projects, landfill operators and members of the public about the SLCF. This is an increase of 150% on last year (201).

The majority of queries were responded to within 10 days. Three queries took longer to respond to than the overall target of 25 days. These took slightly longer to answer as further information had to be sought before a response could be given.

⁵ Includes landfill operators and any other people, not linked to projects or ABs.

vi. Number of Complaints and Compliments

| | Q1 (Apr-Jun) | Q2 (Jul-Sep) | Q3 (Oct-Dec) | Q4 (Jan-Mar) | Total 2016-17 |
|--|---------------------------|--------------------------------------|-----------------|-----------------|------------------|
| a. Number of complaints considered under the SEPA Complaints Handling Procedure ⁶ | 0 | 0 | 0 | 0 | 0 |
| b. Number of complaints concluded | N/A | N/A | N/A | N/A | N/A |
| c. Number of compliments received and general source | 4 1 x AB, 3 x projects | 3 2 x AB, 1 x Scottish Parliament | 0 | 0 | 7 |

No complaints on SEPA's regulation of the fund have been reported to SEPA or Revenue Scotland.

The SLCF team has received several compliments, relating to our quick and comprehensive responses to queries.

vii. Number of Data Security Breaches

| | Q1 (Apr-Jun) | Q2 (Jul-Sep) | Q3 (Oct-Dec) | Q4 (Jan-Mar) | Total 2016-17 |
|--|-----------------|-----------------|-----------------|-----------------|------------------|
| a. Total number of security breaches as defined by the Revenue Scotland Security Breach and Incident Management Policy | 0 | 0 | 0 | 0 | 0 |

There have been no data security breaches.

The existing SLCF database was upgraded in-house by SEPA Information Services (IS) staff from a Microsoft Access platform to Oracle Database. This database is fully supported by SEPA IS for any updates or required changes going forward. The upgrade to the database allows more efficient analysis, presentation and reporting of the data.

SLCF data is not considered to be Protected Taxpayer Information (PTI)⁷ unless and until it is extracted for tax purposes. Details of qualifying contributions reported by ABs as received are shared with Revenue Scotland using a secure collaborative workspace to enable them to check Landfill Operator compliance with their obligations in respect of Scottish Landfill Tax.

⁶ <http://www.sepa.org.uk/about-us/complaints-handling-procedure/>

⁷ See [Revenue Scotland and Tax Powers Act 2014: S14](#)

Although PTI is not a feature of day-to-day SLCF work, SEPA SLCF staff are trained in and understand the requirement not to disclose PTI to a third party unless there is a legal gateway that allows them to so..

viii. Qualifying Contributions made to the Fund

| 2016-17 | Q1 (15 May-13 Aug) | Q2 (14 Aug-13 Nov) | Q3 (14 Nov-13 Feb) | Q4 (14 Feb-14 May) | Total |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-------------------|
| a. Total value of qualifying contributions notified by ABs as having been made to the fund | £2,464,321 | £2,644,229 | £2,245,104 | £2,534,994 | £9,888,647 |

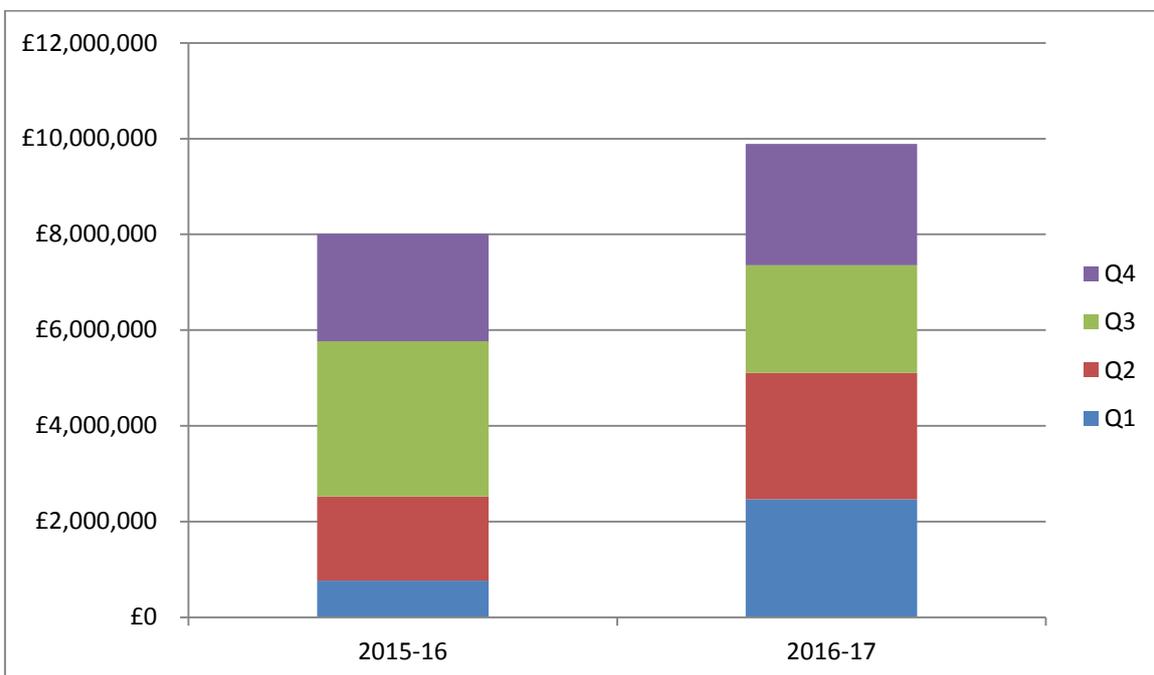


Figure 1 - Qualifying contributions made to the fund

During year two, 90 qualifying contributions were notified to SEPA with a total value of £9.8m. This is more than the £8m contributed in year one and significantly more than the £7.4m annual contribution forecast by Scottish Government in 2015. This shows that the fund is supported by landfill operators who continue to contribute to the fund.

20 different tax payers contributed to the fund in year two. This means that 57% of registered taxpayers make a contribution. This is the same percentage as last year; however the landfill operators contributing differed slightly. Contribution to the scheme is voluntary, and the total contributed in year two was greater than forecast.

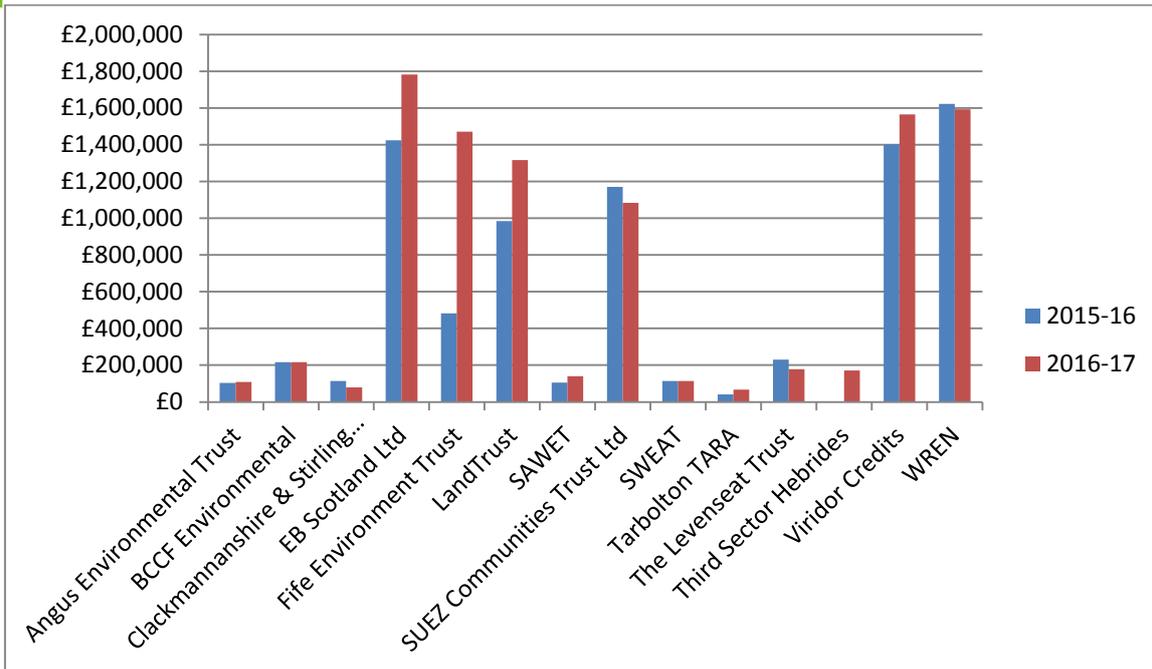


Figure 2 - Qualifying contributions received by each Approved Body

Most ABs have exclusive funding connections with one landfill operator meaning that they only receive contributions from one source. Two ABs have funding connections with multiple landfill operators, receiving funding from three and eight separate sources. Most landfill operators contribute to a single AB, but two choose to contribute to multiple ABs. All ABs received contributions this year.

ix. Funds Committed to Projects

| 2015-16 | Q1 (15 May-13 Aug) | Q2 (14 Aug-13 Nov) | Q3 (14 Nov-13 Feb) | Q4 (14 Feb-14 May) | Total |
|--|-----------------------------|-----------------------------|-----------------------------|------------------------------|---------------------------------------|
| a. Total value of funds notified by ABs as having been committed to projects (spent) | £124,000 (3 projects) | £348,438 (10 projects) | £562,275 (20 projects) | £841,401 (43 projects) | £1,876,115** (76 projects) |
| 2016-17 | Q1 (15 May-13 Aug) | Q2 (14 Aug-13 Nov) | Q3 (14 Nov-13 Feb) | Q4 (14 Feb-14 May) | Total |
| a. Total value of funds notified by ABs as having been committed to projects (spent) | £1,201,045 (67 projects) | £1,243,274 (64 projects) | £2,692,118 (95 projects) | £1,829,694 (102 projects) | £6,966,133 (329 projects) |

**The total value of funds committed to projects in 2015-16 was reported as £1,832,668. This has been revised to £1,876,115 (an increase of £43,447) due to ABs making minor amendments to commitments or late notification of enrolled projects.

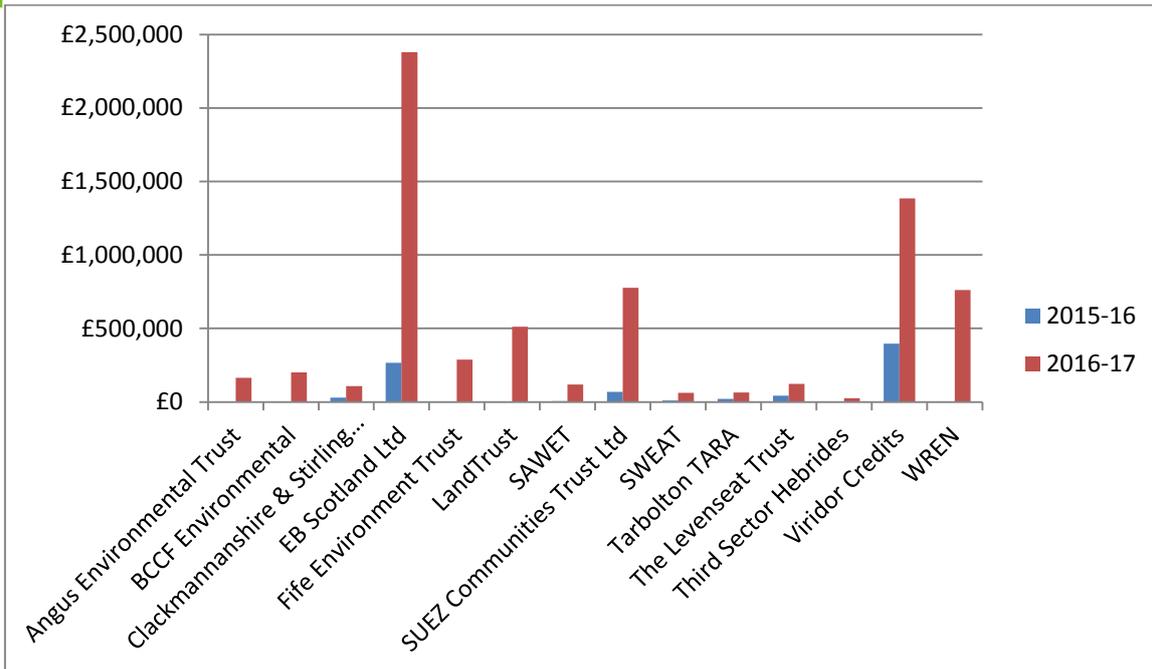


Figure 3 - Total value of funds committed to projects

In total, £6,966,133 was committed to projects (“spent”) in 2016-17. This is a measure of the value of funds that have been legally committed to a project and is not a measure of the full value of projects delivered. Actual transfers of money from ABs to projects amounted to £3,610,183 (327 transfers). This figure includes money transferred to projects that were enrolled in 2015-16 and 2016-17. As a general rule, ABs do not transfer the full commitment to projects when enrolled. This protects the funds and ensures that money is transferred to the project as and when needed rather than in one lump sum. Not all projects get underway as soon as funds have been committed. A legal commitment from the SLCF may be used by the project as leverage to attract other funding for the project or the seasonality of projects may mean that works are not started until sometime after funds are committed. ABs usually require an invoice as proof of cost before funds are released to projects.

The 329 projects that were enrolled in 2016-17 are well distributed around Scotland. As can be seen from the distribution map (Figure 4), projects have been funded from Orkney to the Borders and from the Western Isles to the East Coast. The majority of projects have been enrolled in the concentrations of populations in the central belt,.

The lack of projects being enrolled in the non-coastal highlands area may be explained by the small number of landfill sites and transfer stations in that area and the fact that most enrolled projects were for objects C and E (see Figure 5), which require projects to be located within 10 miles of an eligible landfill or transfer station.



Figure 4 - Enrolled projects 2016-17

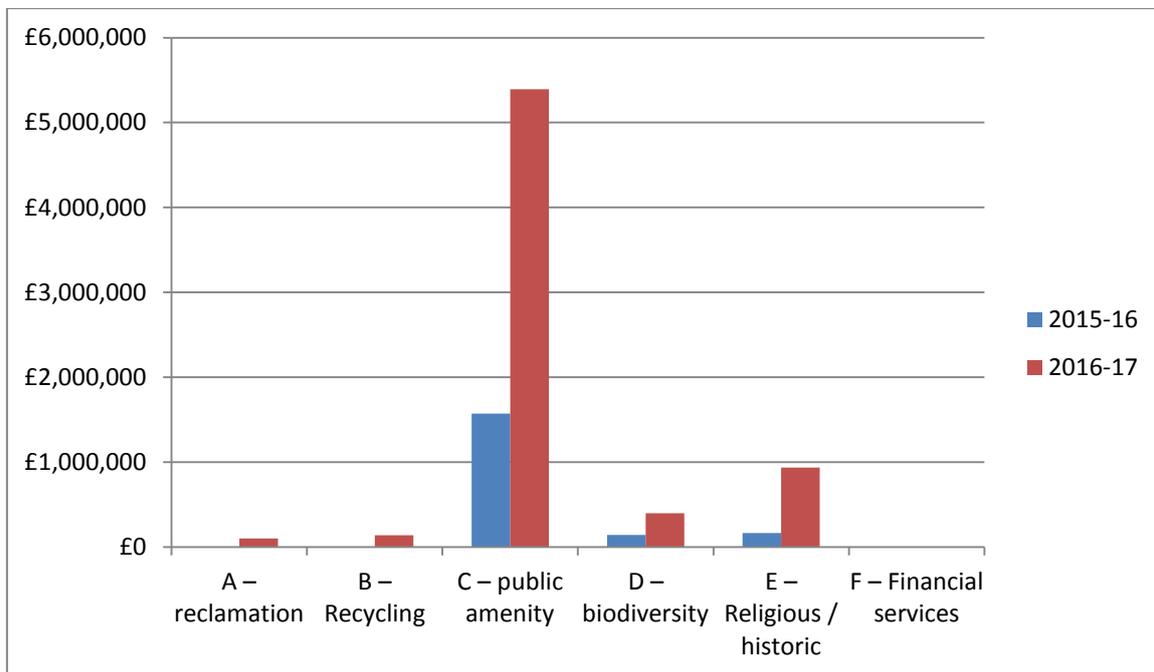


Figure 5 - Value of committed funds per object type

The majority of projects funded this year were for object C – public amenity (77%: £5.4m). The second most funded project type was object E – religious or historic sites (13%: £937k). These two objects have consistently attracted the most funds in the UK LCF and so were predicted by Scottish Government and SEPA to be the most widely applied for and funded project type in the SLCF. The proportion of funds given to Objects C and E have remained the same from 2015-16 and 2016-17.

This year, funding was awarded to Objects A and B for the first time. 5 reclamation projects were enrolled allowing disused land to be cleared for community use. One reclamation project was to provide a community fuel station in the Borders. 5 recycling projects were also awarded funding this year. Projects included recycling of bikes, furniture and textiles. No projects were enrolled for object F – the provision of financial services from an AB to a project.

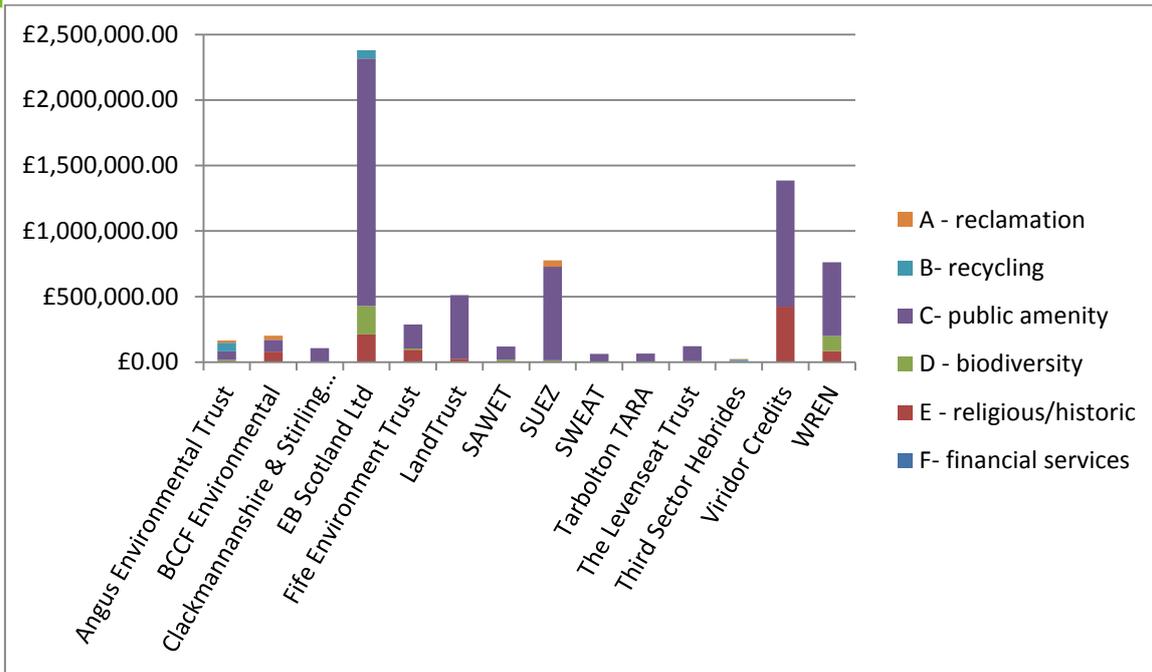


Figure 6 - Value of enrolled projects by type (object) and Approved Body

If we look at the value of projects each AB enrolled by project type (object), there aren't any particular trends that can be picked out other than objects C, D and E being the most funded. ABs submit data on projects they have enrolled (committed funds to). SEPA does not receive notifications of applications received by ABs, therefore we cannot determine whether there has been any bias according to project type from the above data. This was however assessed during compliance inspections by examining a sub set of successful and unsuccessful funding applications. There is no evidence to suggest that any AB is favouring applications of any object type.

x. Approved Body Running Costs

| | 2016-17 ⁸ |
|---|----------------------|
| a. Number of ABs with running costs <10% of contributions they received over the last 2 years | 14 |
| b. Number of ABs with running costs >10% of contributions they received over the last 2 years | 0 |
| c. Average % of running costs | 6% |
| d. Total cost to fund of AB running costs over the last 2 years | £883,399 |

ABs notify SEPA of their running costs once per year via the submission of their Annual Report. This is a requirement of Regulation 30(1)(i) and covers the timeframe from 1 April to

⁸ Measurement of running costs over the last 2 years.

31 March. The annual report gives a summary of income, expenditure and balances held by the AB.

All ABs submitted Annual Returns for 2016-17. The total value of funds used for AB running costs over the last two years was £883k with a corresponding total income of £15m. Over all ABs, the average running cost was 6% of income.

A compliance check on AB running costs will be carried out each year based on total income and reported running expenditure for the previous two years. This 2-yearly measure is being used to reflect the fact that all qualifying contributions must be spent within a two year period and the running costs are likely to be spread across that period. The first running cost compliance checks were carried out this year. All ABs were found to be compliant with the 10% (of total income) limit set by the regulations.

Over the last 2 years, all ABs have received funds and have committed funds to enrolled projects. The balance of funds remaining with ABs at the year-end that has not yet been allocated or committed to a project is £7.8m. ABs continue to consider applications for funding and enrol projects. This balance must be committed to projects within 2 years of the contribution being received by the AB. Most ABs report that they are receiving more applications for funding than they have available. As such, SEPA has no concerns that the £7.8m balance will not be spent.

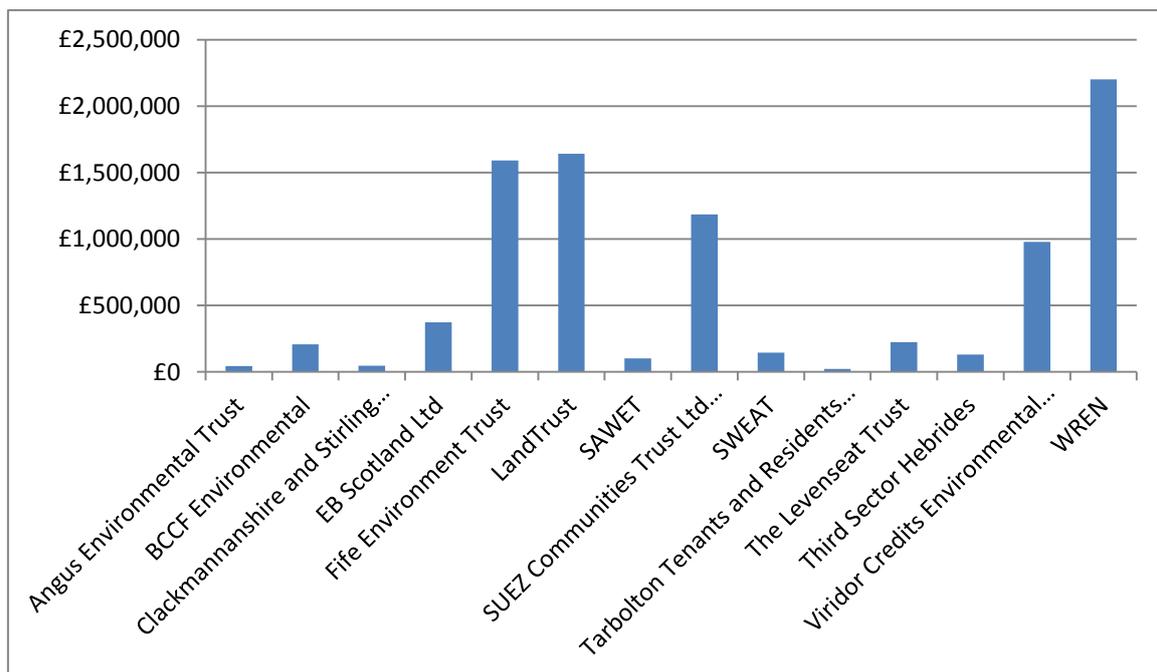


Figure 7 - Balance of funds remaining with ABs at the year-end

xi. Regulatory Fee Payments

| | Q1 (15 May-13 Aug) | Q2 (14 Aug-13 Nov) | Q3 (14 Nov-13 Feb) | Q4 (14 Feb-14 May) | Total 2016-17⁹ |
|---|------------------------------|------------------------------|------------------------------|------------------------------|--|
| a. 1.82% of qualifying contributions received | £44,850 | £47,747 | £40,223 | £34,351 | £179,973 |
| b. Amount invoiced | £44,850 | £47,747 | £40,223 | £34,351 | £179,973 |
| c. Amount received | £44,850 | £16,260 | £40,223 | £34,351 | £179,973 |
| d. Amount outstanding | £0.00 | £0.00 | £0.00 | £0.00 | £0.00 |
| e. proportion of payments made within 14 days | 75% | 72% | 74% | 95% | 80% |

Once SEPA is notified of a qualifying contribution, SEPA raises an invoice for 1.82% of the contribution value. This is SEPA's regulatory fees as permitted by Regulation 30(1)(m). The majority of ABs pay their invoice within the 14 day requirement. All fees for 2016-17 have been received.

xii. SEPA Costs

| | Q1 (Apr-Jun) | Q2 (Jul-Sep) | Q3 (Oct-Dec) | Q4 (Jan-Mar) | Total 2016-17⁸ |
|---------------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|--|
| a. Total costs of regulating the fund | £35,188 | £33,383 | £26,100 | £33,800 | £128,471 |

The majority of SEPAs regulatory costs are staff costs. The travel and subsistence cost of inspecting 14 ABs was £2.3k. There was additional agreed spend of £1.3k for the upgrade to the SLCF database and £426 for equipment. These values are illustrated in Figure 7 – SEPA Costs. The regulatory costs for SEPA were approximately £30k less than expected. This was largely due to a saving as a result of an underspend on staff costs as we carried a vacancy for 5 months.

⁹ All information reported to 20/6/17 – see Section 2 – Dates Used for explanation.

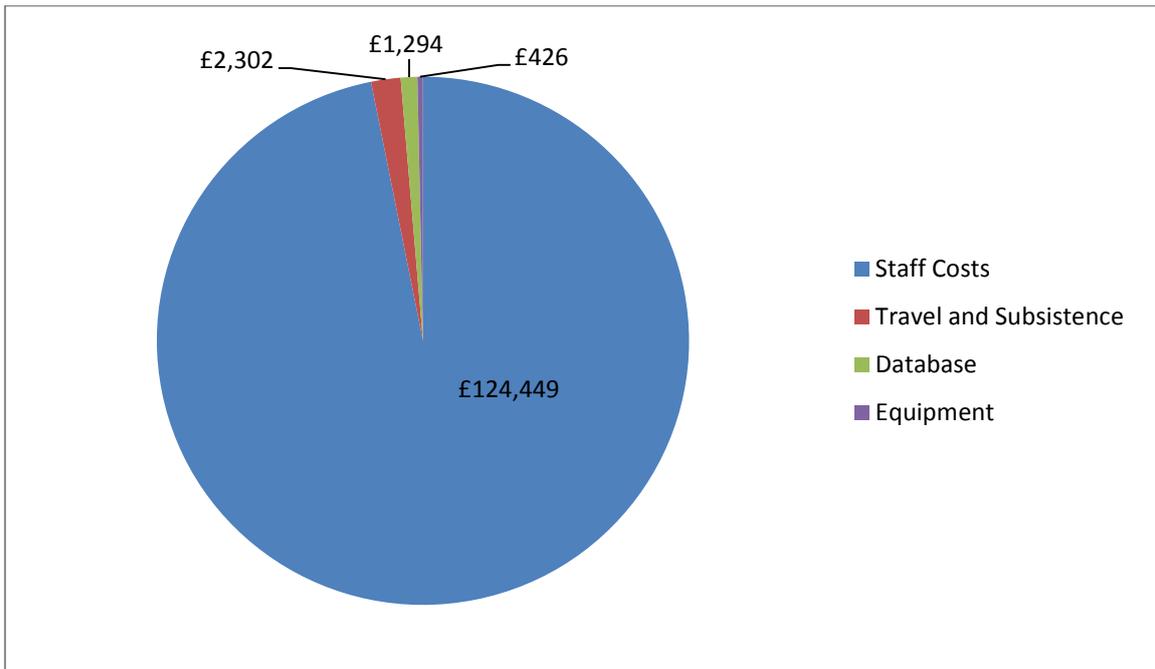


Figure 7 – SEPA Costs

Both SEPA regulatory fees and AB running costs are funded out of contributions to the fund. The total administration cost (SEPA fees plus AB running costs) charged out of contributions to the fund in 2016-17 was £587,182. This is 5.9% of the fund as a whole. The major expenditure from the SLCF as a whole is illustrated in Figure 8 below.

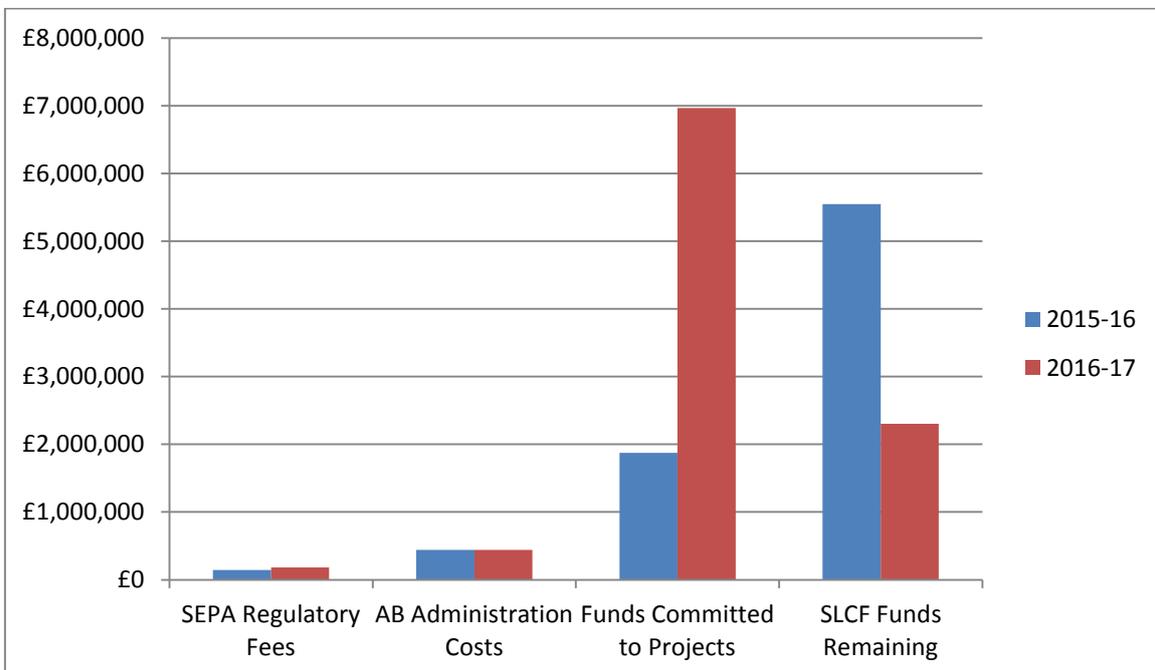


Figure 8 - Major expenditure from the SLCF

Over the last two years, SEPA’s income from regulatory fees has been greater than our costs. This is largely due to savings made in staff costs during the period it took to recruit the team and following a vacancy. SEPA is currently carrying a reserve of £98k. SEPA will carry

out a review of charging and spending in conjunction with Revenue Scotland in the coming year to see if the subvention rate of 1.82% needs to be revised.

4. CUSTOMER SURVEY

We carried out a satisfaction survey of all registered ABs in August 2016. The survey was designed to give ABs an opportunity to provide feedback on the quality and performance of our services as the regulator of the SLCF. An analysis of the responses enables us to form a better understanding of how well we are regulating the SLCF and to identify areas where we can improve.

This is the first satisfaction survey of the SLCF. We intend to repeat the questionnaire each year to allow a comparison of performance and to identify further learning opportunities.

We have carefully analysed the results of the survey and have developed an action plan to address improvements:

1. Review existing guidance
2. Consider the feasibility of using a postcode in the screening tool¹⁰.
3. Create a more meaningful name for the screening tool.
4. Carry out a review of the notification forms - Can information be submitted differently?

Further details of the Customer Survey can be found in Appendix 3 or in the full Customer Survey Report.

5. CONCLUSION

The SLCF continues to function well. Qualifying contributions have been made to the fund by registered landfill operators in excess of those forecast by Scottish Government in 2015 and of those in Year One. All ABs are enrolling projects, committing and transferring funds. All ABs have a good understanding of the SLCF rules and have been able to work within these requirements.

ABs are generally satisfied with the service they receive from SEPA as the regulator of the fund. The customer satisfaction survey identified four improvements that will be implemented next year.

¹⁰ The "[screening tool](#)" is an online geographic tool that can be used to determine if a project location is within the vicinity (10 miles) of a landfill site and so eligible for funding (this is a requirement for Objects C, D and E only).

APPENDIX 1 - SUMMARY OF KEY PERFORMANCE INDICATORS

| Subject | Information to be reported ¹¹ | Q1 | Q2 | Q3 | Q4 | Total 2015-16 |
|----------------------------------|---|-------------------------------|----|----|----|-----------------|
| 1. AB Applications ¹² | a. Number of applications received | 1 | 0 | 0 | 0 | 1 |
| | b. Number of applications approved | 1 | 0 | 0 | 0 | 1 |
| | c. Number of applications withdrawn | 1 | 0 | 0 | 0 | 1 ¹³ |
| | d. Number of applications rejected | 0 | 0 | 0 | 0 | 0 |
| | e. Number of applications ongoing | 0 | 0 | 0 | 0 | 0 |
| 2. Register of ABs | a. Number of changes made to the Register including time taken to make the change ¹⁴ | 1 (completed within 24hrs) | 0 | 0 | 0 | 1 |
| 3. Compliance Inspections | a. Number of compliance inspections completed by the SLCF team | 3 | 0 | 8 | 3 | 14 |
| | b. Number of ABs deemed compliant following a compliance inspection | 3 | 0 | 8 | 3 | 14 |

¹¹ Information is reported on the tax quarters: 1 April to 30 June; 1 July to 30 September; 1 October to 31 December and 1 January to 31 March except for 7. Qualifying Contributions made to the fund, 8. Funds committed to projects and 10. Regulatory fee payments. These 3 measures are reported using the “reporting quarters” of: 15 May to 14 August; 15 August to 14 November; 15 November to 14 February and 15 February to 14 May. The reporting quarter allows for the 44 day reporting period after the end of the tax quarter. These 3 measures are reported in this way so that they can be compared over the same time frame.

¹² “Applications” includes applications of each type: Approval and Voluntary Revocation

¹³ One application that was received in 2015-16 was withdrawn in 2016-17

¹⁴ The target for updating any changes to the register of approved bodies on the SEPA website is within 7 days of the change taking effect

SLCF Team Report



| | | | | | | |
|---|--|---|---|---|---|--|
| 4. Enforcement ¹⁵ | a. Number of enforcement actions started | 0 | 0 | 0 | 1 | 0 |
| | b. Number of enforcement actions concluded and outcome | N/A | N/A | N/A | N/A | N/A |
| 5. Written communication response times | a. Total number of queries responded to | 111 | 89 | 54 | 60 | 314 |
| | b. Number of queries responded to from ABs including response period (10 and 25 days) | 63 (63<10 days) (0<25 days) (0 >25 days) | 30 (30<10 days) (0<25 days) (0 >25 days) | 21 (21<10 days) (0<25 days) (0 >25 days) | 17 (16<10 days) (1<25 days) (0 >25 days) | 131 (130<10 days) (1<25 days) (0 >25 days) |
| | c. Number of queries responded to from Projects including response period (10 and 25 days) | 42 (40<10 days) (1<25 days) (1 >25 days) | 46 (46<10 days) (0<25 days) (0 >25 days) | 25 (25<10 days) (0<25 days) (0 >25 days) | 40 (37<10 days) (0<25 days) (3 >25 days) | 153 (149<10 days) (1<25 days) (3 >25 days) |
| | d. Number of queries responded to from others ¹⁶ including response period (10 and 25 days) | 6 (6<10 days) (0<25 days) (0>25 days) | 13 (12<10 days) (1<25 days) (0 >25 days) | 8 (7<10 days) (1<25 days) (0 >25 days) | 3 (3<10 days) (0<25 days) (0 >25 days) | 30 (28<10 days) (2<25 days) (0>25 days) |
| 6. Number of complaints and compliments | a. Number of complaints considered under the SEPA Complaints Handling Procedure ¹⁷ | 0 | 0 | 0 | 0 | 0 |
| | b. Number of complaints concluded | N/A | N/A | N/A | N/A | N/A |
| | c. Number of complements received and general source | 4 1 x AB, 3 x projects | 3 2 x AB, 1 x Scottish Parliament | 0 | 0 | 7 |

¹⁵ Enforcement includes any action necessary to rectify non-compliances discovered by SEPA SLCF staff. It will include letters to ABs but will be deemed concluded once compliance is achieved or if passed to Revenue Scotland for forceful revocation of the Approval.

¹⁶ Includes landfill operators and any other people, not linked to projects or ABs.

¹⁷ <http://www.sepa.org.uk/about-us/complaints-handling-procedure/>

SLCF Team Report



| | | | | | | |
|---|--|-----------------------------|-----------------------------|-----------------------------|------------------------------|--------------------------------------|
| 7. Number of security breaches | a. Total number of security breaches as defined by the Revenue Scotland Security Breach and Incident Management Policy | 0 | 0 | 0 | 0 | 0 |
| 8. Qualifying contributions made to the fund | a. Total value of qualifying contributions notified by ABs as having been made to the fund | £2,464,321 | £2,644,229 | £2,245,104 | £2,534,994 | £9,888,647 |
| 9. Funds Committed to projects | a. Total value of funds notified by ABs as having been committed to projects (spent) | £1,201,045 (67 projects) | £1,243,274 (64 projects) | £2,692,118 (95 projects) | £1,829,694 (102 projects) | £6,966,133 (329 projects) |
| 10. AB Running cost | a. Number of ABs with running costs <10% of contributions they received for the reporting period | | | | | 14¹⁸ |
| | b. Number of ABs with running costs >10% of contributions they received for the reporting period | | | | | 0 |
| | c. Average % of running costs | | | | | 6% |
| | d. Total cost to fund of ABs running over last 2 years | | | | | £883,399.57 |
| 11. Regulatory Fee Payments | a. 1.82% of qualifying contributions received | £44,850.64 | £47,747.59 | £40,223.88 | £34,351.73 | £179,973.38 |
| | b. Amount invoiced for | £44,850.64 | £47,747.59 | £40,223.88 | £34,351.73 | £179,973.38 |
| | c. Amount received | £44,850.64 | £16,260.88 | £40,223.88 | £34,351.73 | £179,973.38 |
| | d. Amount outstanding | £0.00 | £0.00 | £0.00 | £0.00 | £0.00 |
| | e. proportion of payments made within 14 days | 75% | 72% | 74% | 95% | 80% |
| 12. SEPA Costs | a. Total costs of regulating the fund | £35,188 | £33,383 | £26,100 | £33,800 | £128,471 |

¹⁸ Compliance of administration costs will be carried out over a 2 year period (as qualifying contributions have to be spent within 2 years) therefore details are provided for information only.

SLCF end-of-year REPORT 2016-17

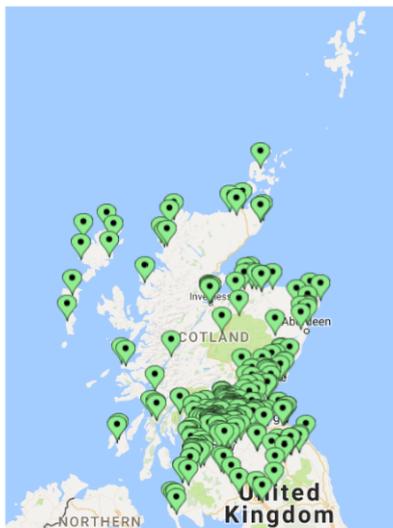


The Scottish Landfill Communities Fund (SLCF) is a tax credit scheme, linked to Scottish Landfill Tax. It allows Scottish landfill operators to provide contributions to Approved Bodies, to fund community and environmental projects in Scotland.



Approved Bodies distributing SLCF Funds are located throughout the UK.

Distribution of funded projects



Most projects funded this year were for public amenity. Projects ranged from the restoration of public halls to the creation of play parks. The second most funded project type was religious / historic sites. These included restoration works to churches, harbours and a waterwheel. Biodiversity projects will protect a number of native species and habitats. 5 recycling / reuse projects were funded this year. These were for furniture and bike recycling centres and community recycling bins. No projects were registered this year for financial services.



Funded projects by type

| | |
|-------------------------------|-------------------------|
| reclamation (1.47%) | recycling (1.98%) |
| public amenity (77.40%) | biodiversity (5.70%) |
| religious / historic (13.45%) | financial services (0%) |



HOW ARE WE DOING? 2016

SEPA is the regulator of the Scottish Landfill Communities Fund (SLCF)

In August 2016, we asked all Approved Bodies (ABs) to complete a satisfaction survey. We designed the survey to give ABs an opportunity to provide feedback on our quality and performance as the regulator of the SLCF. An analysis of the responses allows us to understand how well we are doing and where we can improve.

75% of those contacted answered our survey. Here are the results...



HOW WOULD YOU DESCRIBE?...

Support



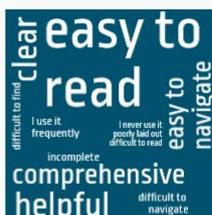
95%
positive



Guidance



79%
positive



Tools



88%
positive



Forms



91%
positive





IMPROVEMENTS

The survey allows us to understand the current satisfaction level of ABs with the quality of our services. It also tests ABs understanding of where to find guidance and information on the SLCF. Analysing the results of the survey allows SEPA to ensure that our resources are targeted most effectively and that we are providing the best possible service.

As a result of the survey, the following actions will be taken:



SEPA will work with Revenue Scotland to review existing guidance



Look into using a postcode in the screening tool.
Create a better name for the screening tool.



Carry out a review of the notification forms. Can information be submitted differently?